WOMEN ENTREPRENEURS IN SMALL BUSINESSES: STRENGTHENING RESILIENCE THROUGH INNOVATION AND INSTITUTIONAL SUPPORT

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Abstract

Women entrepreneurs in small business ecosystems play a vital role in economic growth, job creation, and social change, especially in developing countries where small businesses make up a large part of economic activity. Despite their increasing involvement, women-led businesses face ongoing challenges. These include limited access to formal credit, weak market connections, exclusion from digital resources, complex regulations, and social norms that hinder their growth and stability.

Recent economic disruptions have made these challenges more apparent, stressing the need to explore ways to strengthen the resilience of women-owned small businesses. This paper examines how innovation and institutional support are key factors in improving the resilience of women entrepreneurs. It argues that resilience in women-led businesses is not just a response to economic challenges but a dynamic process shaped by access to technology,entrepreneurial networks, policy incentives, skill development programs, and supportive legal frameworks.

The study also looks at how digital platforms, financial inclusion efforts, training programs,and government initiatives help maintain business continuity, competitiveness, and long-term sustainability. Using a socio-economic and policy-focused approach, the paper assesses the effectiveness of institutional mechanisms aimed at boosting women's entrepreneurship,

particularly in small business development initiatives in India.

It highlights the gaps between policy creation and real-world application, especially concerning access to credit, mentorship options, and localized support systems. By combining resilience theory with discussions on entrepreneurship, the paper suggests that systems driven by innovation are crucial for helping women-owned small businesses transition from survival mode to sustainable sources of inclusive growth. The paper adds to ongoing discussions about gender-focused economic policy by highlighting that supporting women entrepreneurs requires not just financial help but also strong support systems that encourage innovation, flexibility, and business growth. It concludes with recommendations for policies that can foster a more inclusive business environment where women-led small businesses can engage more effectively in both national and global economic development.

Keywords Women Entrepreneurship; Small Businesses; Resilience; Innovation; Institutional Support; Financial Inclusion; Gender and Enterprise Development; Sustainable Growth

1. INTRODUCTION

In today's contemporary economy, most of the women entrepreneurs have emerged as an important element of social transformation, economic development and inclusive growth. Many small start-ups across the world owned by women leads to generation of employment, reduction in poverty and enhance innovation. The gender roles perceptions in India have changed due to rise in women entrepreneurs. The role of women in small businesses leads to increase in productivity, financial independence, social empowerment and decision making capacity in areas such as retail, handicrafts, education, healthcare, technology, e-commerce and many more.[1]

This progress has been limited to various institutional and structural barriers that create obstacles for women to expand and sustain their enterprises. The major hindrances in rural and semi-urban regions are limited access to formal credit, societal and cultural expectations, lack of technological resources and minimum market linkages. These gender inequalities prevent women to gather resources required for growth and continuity in the business.

The relevance of entrepreneurial resilience was highlighted at times of economic disruptions such as COVID- 19 pandemic. The small businesses were the most vulnerable ones. By entrepreneurial resilience, the researcher is referring to the adaptability, recovery and sustainability of businesses during economic crisis. This resilience is mandatory for long term competitiveness and women have proved to be more prone in adapting new culture, innovative techniques and enhancing network capacity at such vulnerable crisis.[2]

Businesses have strengthened by overcoming structural limitations and building resilience through innovation. This is possible through social media marketing, e-commerce, financial technologies, digital platforms and digital based business models which help the women entrepreneurs to reduce traditional barriers of mobility. The ecosystem of women entrepreneurship has been further strengthened in India by robust government policies, training programs and other financial institutions.

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[1] Sucheta Agarwal & Usha Lenka, An Exploratory Study on the Development of Women Entrepreneurs: Indian Cases, 18 J. Res. Marketing & Entrepreneurship 232 (2016), https://doi.org/10.1108/JRME-04-2015-0024

[2] Arafat, M. Y., Ali, J., Dwivedi, A. K., & Saleem, I. (2021). Social and cognitive aspects of women entrepreneurs: Evidence from India. *Vikalpa, 45*(4), 220–233. https://doi.org/10.1177/02560909211015457.

This paper examines the inter-relationship between innovation, entrepreneurial resilience and institutional support to women entrepreneurs of small scale businesses. The researcher has adopted qualitative approach using secondary data, policy reports and literature. The paper also analyses the challenges faced by the women entrepreneurs and had suggested various recommendation to overcome those through innovation, building resilience and implementing effective government and institutional support.

2. CHALLENGES FACED BY WOMEN ENTREPRENEURS IN SMALL BUSINESSES

Multi-dimensional challenges such as financial, socio-cultural, technological and institutional inequalities affect the business establishment running by women entrepreneurs. Though women run starts are increasing rapidly but are facing multiple challenges such as limited access to financial resources due to weak credit history, lack of ownership of properties to secure loans and gender based biases in the banking system. Hence, women mostly rely on self-financing, rely on informal sectors of borrowing and technological investment.

Another major challenge faced by women entrepreneurs is socio-cultural barrier, where in India women are expected to responsibly handle household chores. Such care giving duties limit the mobility, flexibility which are required as skills in entrepreneurship, hence women face difficulties in balancing domestic obligations and business responsibilities. Such perception reduce confidence of investors in women, restrict the risk-taking behaviour and opportunities to collaborate. Also, family support, professional networks, mentorship contribute positively to development in businesses. In India, it is observed that women are more prone in overcoming social constraints due to psychological resilience, optimism and adaptability.

Another major gender gap in entrepreneurship is digital illiteracy of women in rural and semi-urban areas. Most of the businesses have become digitalised, thereby making the entrepreneurs to adopt technological tools such as e-commerce system, social media marketing, digital payments. Women of rural and semi-urban areas due to lack of internet connectivity, digital awareness and digital literacy are not able to participate in technology driven enterprises.[3]

Despite of existing various government schemes, financial support programs women entrepreneurs lack awareness and legal compliance mechanisms too. Therefore, implementation gap remains a serious concern thereby making institutional and regulatory barriers affecting the women based enterprises in rural areas as most these schemes are centralised.[4]

Another major setback in women based entrepreneurship was at the time of COVID-19 pandemic. Pandemic leads to reduced customer demands, declining of revenues, disruptions in supply chains thereby causing operational uncertainty. On the other hand, women who adopted flexible business models and strategies through innovation, networking and community based support system have shown enhanced capacity of recovery from crisis.[5]

Another major setback to women entrepreneurs is their exclusion form professional networks, limited mobility and under presentation in business ecosystems due to societal barriers. Hence, absence of mentorship programs, strong professional networks cause hindrance in the growth of their businesses.

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[3] Shivani, S., Nawaz, N., Rahiman, H. U., Hariharasudhan, A., & Hundekar, V., Unveiling the Crucial Factors of Women Entrepreneurship in the 21st Century: Social Sciences, 10 *Int'l J. Entrepreneurship & Knowledge* 133 (2021), https://doi.org/10.3390/ejik10010015.

[4] Raj, S., & Garlapati, S. S. (2023). Promoting women entrepreneurship in India: Challenges, initiatives and strategies. *Journal of Agricultural Extension Management, 24*(1), 131–143.

[5] Matharu, S. K., & Juneja, D. (2024). Factors impacting resilience of women entrepreneurs in India in the face of COVID-19. *Vision: The Journal of Business Perspective, 28*(4). https://doi.org/10.1177/09722629211043299.

A lot of major factors leading to growth of enterprises are strategic decision making, access to business associations, guidance on market trends, financial planning by investors are lacking among women entrepreneurs due to social factors. It is believed that professional networks provide access to information regarding funding opportunities, governmental schemes and other technical innovations. Women face less visibility and weak business expansion opportunities as male-dominated businesses keep women's participation in decision making process in a limited way. Mentorship programs influence the confidence, resilience and long term sustainability of the entrepreneurs. These programs are important for developing leadership skills, building negotiation abilities, innovation oriented mindset and developing financial literacy.[6]

Case Illustration: Kudumbashree Mission, Kerala

Established by the government of Kerala in 1998, this mission proved to be a community based institutional setup which strengthened the financial resilience, encouraged collective entrepreneurship and even enhanced the women participation in economic decision making significantly during COVID-19 pandemic. Women of Kudambashree produced masks, sanitizers and other essential commodities thereby utilizing local delivery system and digital platforms. This mission focuses on decentralising the network of self-help groups that provide women entrepreneurs with skill development programs, access to microfinance and market support. This mission worked for the women of economically weaker section to establish micro-enterprises in various sectors such as handicrafts, retail, catering, tailoring and food processing sectors. Despite, all these provisions for women entrepreneurs, this mission faced various challenges such as expansion and scalability into international and national

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[6] Prasad, V. K., Naidu, G. M., Murthy, B. K., Winkel, D. E., & Ehrhardt, K. (2013). Women entrepreneurs and business venture growth: An examination of the influence of human and social capital resources in an Indian context. *Journal of Small Business & Entrepreneurship, 26*(4), 341–364. https://doi.org/10.1080/08276331.2013.821758.

markets.[7]

Case Illustration: Nykaa and Digital Entrepreneurship

This is one of the first technology driven business model which reduced the operational limitations and enhanced market accessibility. Founded by Falguni Nayar in 2012, it is one of the transformative change of digital innovation in women led entrepreneurship. Nykaa has integrated digital marketing, social media engagement, promotions through influencers and consumer analytics to develop a retail store at a large scale which was initially launched as an e-commerce platform for beauty and wellness products. This startup represents a significant example of innovation run enterprise in India which even highlighted women participation in such technology driven ecosystem, hence strengthening the business resilience during periods of economic disruptions by maintain continuity through e commerce -platforms and digital consumer engagement.[8]

This initiative was also not short of challenges. Unequal access to venture capital, underrepresentation of women in leadership positions and other structural challenges in this business ecosystem were the hindrances faced by women entrepreneurs.

Case Illustration: S4S Technologies and Sustainable Rural Innovation

The S4S Technologies serves as an important case study of innovation-oriented rural entrepreneurship and sustainable entrepreneurship development. The

[7] IIM Kozhikode, Kudumbashree Mission Launch Prof. V.K. Abdul Aziz Chair, *InfoMedia* (May 16, 2024), https://infomedia.iimidrimes.com/city/kozhikode/iim-kozhikode-kudumbashree-mission-launch-project-to-support-women-led-enterprises/articleshow/12118405.cms.

[8] Nayar, F. (2021). Building Nykaa: Redefining beauty retail through digital innovation in India. *Harvard Business Review Analytic Services*.

company designed a technology to harness solar power for preserving produce and minimizing food wastage during fruit and vegetable harvesting. Through imparting solar drying technology and value addition processes in food products to women, the company established local microenterprises. This case study presents a clear illustration of how technological innovations can assist women-led companies while at the same time focusing on agricultural sustainability and environmental issues. The company was successful due to various factors such as mentorship, entrepreneurship incubation, and innovative financing. However, the case study is also characterized by some problems such as technological inaccessibility in remote areas and inadequate digital literacy.[9]

Case Illustration: MobiKwik and Financial Inclusion through FinTech

MobiKwik, one of the ventures established by Upasana Taku, highlights how financial technology is gradually playing an important role in facilitating women-led innovation and financial inclusion through digital finance in India. MobiKwik offers digital payment facilities and wallets which help in enabling cashless payments and easy accessibility to the financial environment. This business is significant for women entrepreneurship because, through digital financial solutions, there is reduced reliance on conventional banking systems which tend to exclude women owing to collateral issues and other difficulties. The firm shows how women entrepreneurs can manage and lead a technology-oriented enterprise in sectors dominated by men, such as financial technology. On the other hand, digital payment systems play a crucial role in helping entrepreneurial resilience by facilitating transactions and online businesses in an effective manner. Despite the development of fintech systems, however, women entrepreneurs still struggle to overcome challenges like illiteracy, exclusion from

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[9] Shell Foundation. (2023). *Empowering women, powering change: The S4S Technologies journey*. https://shellfoundation.org/case-study/empowering-women-powering-change-the-s4s-technologies-journey/

technology and limited access to startup financing opportunities.[10]

3. INNOVATION AS A TOOL FOR BUILDING ENTREPRENEURIAL RESILIENCE

Entrepreneurial opportunities have significantly increased for women due to digital innovation. They now rely upon innovative methods to sustain their enterprises in competitive markets and thereby overcoming resource restraints. Innovation, therefore plays an important role in strengthening business resilience in small businesses as it extends beyond technological invention and include digital transformation, innovative marketing strategies, innovation in acquiring finance and enhancing organisational flexibility as well. Social media platforms such as Instagram, Facebook, businesses over WhatsApp have emerged as e-commerce platforms thereby, enabling women entrepreneurs to broaden their consumer market without relying much on physical business infrastructure. These online platforms are cost effective for marketing and product promotion. These platforms have emerged to be highly beneficial for those women entrepreneurs who are operating from home as they reduce the operational and mobility costs.[11]

Studies have shown that women-led businesses have a significant potential to innovate in case there is access to supportive institutional and internal financing settings. Women are becoming actively involved in innovative industries including technology services, health care, agriculture technology, education, and sustainable companies. Innovation serves not only as a means of survival, but it can also serve as an instrument for attaining competitiveness and sustainability.

Moreover, financial innovation has contributed to building entrepreneurship

[10] Kumar, A., & Singh, R. (2023). FinTech innovation and financial inclusion in India: Examining the role of MobiKwik. *International Journal of Financial Innovation, 5*(1), 77–91.
[11] Women Power Ultra Products Pvt. Ltd., *The Times of India* (2023), https://timesofindia.indiatimes.com/topic/livpure-water-purifiers-health.

resilience in women. Innovative payment methods like digital payments, mobile banking, and the use of FinTech have made transactions more efficient and provided better access to financial services. Women entrepreneurs without access to banking institutions have been able to make transactions through digital methods. In addition, self-help organizations, microfinance organizations, and mobile lending platforms have ensured financial inclusion through alternative credit services. Financial innovations have made liquidity easier, business growth possible, and dependence on informal sources minimized.[12]

Innovation has also proved helpful in enhancing resilience during disruptive situations. Women entrepreneurs used innovative measures such as online business, digital communication channels, delivery at home, and diversification of goods when the world was hit with the COVID-19 pandemic. Studies on entrepreneurship resilience have indicated that resourcefulness, adaptability, networking, and business continuity have been the significant factors in ensuring survival of businesses.

Both entrepreneurial education and training help in fostering innovation among women entrepreneurs. Digital literacy, financial literacy, entrepreneurship skills, communication, and strategic planning empower women entrepreneurs to cope with changing market dynamics. Modern higher educational institutes and entrepreneurship development centers are focusing on innovation-centric approaches for empowering women entrepreneurs.[13]

[12] Prasad, V. K., Naidu, G. M., Murthy, B. K., Winkel, D. E., & Ehrhardt, K. (2013). Women entrepreneurs and business venture growth: An examination of the influence of human and social capital resources in an Indian context. *Journal of Small Business & Entrepreneurship, 26*(4), 341–364. https://doi.org/10.1080/08276331.2013.821758.

[13] Agarwal, S. & Lenka, U., An Exploratory Study on the Development of Women Entrepreneurs: Indian Cases, 18(2) *J. Res. Marketing & Entrepreneurship* 232–247 (2016), https://doi.org/10.1108/JRME-04-2015-0024

The emergence of government-enabled innovation ecosystem is helping foster growth in entrepreneurship ventures run by women. Reports reveal an exponential increase in the number of women-led enterprises in many states such as Uttar Pradesh in which women entrepreneurs are participating in fields such as technology, healthcare, and agritech. The government has been playing an effective role in transforming innovations into entrepreneurship ventures by offering incubation services, mentoring, training, and financial support.

Innovation in entrepreneurship helps build economic resilience for the reason that innovation helps women entrepreneurs cope with economic dynamics and expand their presence in markets. With the help of innovation, women entrepreneurs can change their survivalist business ventures into sustainable ones.

4. INSTITUTIONAL SUPPORT MECHANISMS AND POLICY FRAMEWORK IN INDIA

Support from institutional systems is crucial for bolstering the entrepreneurial capabilities of women and nurturing resilient business ecosystems. Such systems consist of government regulations, financial institutions, entrepreneurs' networks, education institutions, mentoring schemes, and incubators. In India, different policies have been designed for empowering female entrepreneurship and fostering financial inclusion, innovation, and skill building.

Some of the government programs that encourage entrepreneurship among women are Start Up India, Stand Up India, Pradhan Mantri Mudra Yojana, and Micro, Small and Medium Enterprises (MSME). All these programs offer different forms of institutional backing in the form of financial aid, subsides, trainings, and easy access to credit facilities for fostering female entrepreneurship. The Start Up India program has played an important role in increasing institutional backing for women-owned enterprises operating in innovative sectors. However, research indicates that certain factors hinder the success of these programs.

Financial organizations are key players that provide women entrepreneurs with services like credit, microfinance, and financial education. Financial organizations such as banks, cooperatives, self-help groups, and microfinance organizations have made great contributions towards enhancing access to entrepreneurial credit among women. Gender discrimination persists in institutional lending systems due to collateral-based lending and processes involved in obtaining funds from formal lending institutions. Informal sources of funding continue to be relied upon by many women entrepreneurs despite government-backed credit schemes being available.

Apart from credit, institutional support also includes mentoring, entrepreneurial networking, and business incubators. Business incubators and women entrepreneurship cells assist women in accessing information and technology. Mentorship is particularly important for first-generation female entrepreneurs with limited professional experience and knowledge.

One of the most recent programs that show how institutional relationships play a role in helping women entrepreneurs is SmartShree launched by Indian Institute of Management Kozhikode with Kudumbashree Mission. The program intends to assist women-owned micro-enterprises by building capacity, mentoring, innovating, and being an entrepreneurial guide. Institutions help foster a local entrepreneurial system and sustainability of business.

According to institutional theory, good governance structures and entrepreneurship ecosystems help mitigate gender disparity issues in entrepreneurship. Studies on women entrepreneurship stress that factors such as quality institutions, social capital, and policies play a critical role in enhancing entrepreneurial empowerment. Thus, institutions play more than a role of providing financing to entrepreneurs; they help foster innovation and inclusivity.[14]

Although various policies have been implemented, their challenges are still immense. Women entrepreneurs lack knowledge about existing government schemes owing to poor policy dissemination tools and digital literacy issues. Marginalized women are likely to encounter problems seeking help from institutions due to entrepreneurial programs being available only in urban centres. Policy ineffectiveness may arise from slow bureaucracy, complex procedures, and poor coordination among institutions.

There is a need for decentralization of institutions, as well as their inclusivity towards the establishment of localized, digital-friendly, and gender-specific policies. Institutional strengthening entails collaboration between governmental departments, financial institutions, educational organizations, private firms, and other stakeholders.

5. CONCLUSION AND RECOMMENDATIONS

The role played by women entrepreneurs in facilitating economic development and innovation cannot be underestimated. The small firms owned by women make major contributions to employment creation and diversification. Nevertheless, although there have been increases in entrepreneurial activity among women, these individuals still encounter numerous financial, socio-cultural, digital, and institutional challenges hindering sustainable and successful

[14] Priyanka & Roy, S. K. (2025), Startup India and Women Entrepreneurs: A Systematic Literature Review, 32(58) *Testing Psychometrics, Methodology in Applied Psychology* 1883–1889 (2025), https://doi.org/10.5281/zenodo.17900838.

growth of their enterprises.

As this research has shown, entrepreneurial resilience among women has a strong link with innovation and institutional support. The latter allows the creation of a conducive entrepreneurial ecosystem for women. In other words, government policies, financial and mentoring support can facilitate successful development of a woman-owned firm. As far as innovation is concerned, it helps women entrepreneurs adapt their enterprises to market changes, venture into digital space, and improve financial inclusiveness.

Yet, there is a huge distance between formulating and implementing such policies. Many female entrepreneurs continue facing lack of information about institutional schemes, problems with receiving formal credit, and poor access to localized assistance services. Structural inequality in financial and institutional environments continues being a key obstacle for entrepreneurial empowerment.

For enhancing women entrepreneurship in India, it is important to implement a number of policy instruments. First, financial institutions have to consider gendered approaches to lending and minimize their reliance on collateral-based lending. Streamlining of the loan process and making micro-financing more accessible are key to overcoming financial inequality faced by many women entrepreneurs. Secondly, it is essential to expand initiatives related to digital literacy and training in using new technologies. This measure will help women entrepreneurs become actively engaged in the technologically-driven market environment. Thirdly, institutional assistance in mentoring, incubating, and networking needs to be improved. Creating community-based business ecosystems can facilitate success and sustainability of women-owned firms.

Moreover, the implementation of these policies requires decentralization and local initiatives. Government initiatives need to be supplemented by means of awareness campaigns, easier compliance procedures, and effective support systems. The role of women entrepreneurs should not just be seen as beneficiaries of welfare policies, but as participants who innovate and contribute towards economic sustainability.

In the coming years, the success of economic development in India will depend very much on whether entrepreneurial ecosystems can be developed which empower women by virtue of innovation and institutional support.